

RESOLUTION NO. 2012-78

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE SINGLE MEMBER SERVICES
AGREEMENT BY AND BETWEEN THE CITY OF LODI
AND THE NORTHERN CALIFORNIA POWER AGENCY,
AND FURTHER AUTHORIZING THE CITY MANAGER TO
EXECUTE SAID AGREEMENT

WHEREAS, on April 12, 2011, the Governor of the State of California signed California Senate Bill 2 of the First Extraordinary Session, SBX1-2, Chapter 1, Statutes of 2011, First Extraordinary Session, (SBX1-2), known as the California Renewable Energy Resources Act, which became effective on December 10, 2011; and

WHEREAS, SBX1-2 requires that the amount of electricity generated from eligible renewable energy resources be increased to an amount that equals at least 20% of the total electricity sold to retail customers in California by December 31, 2013, 25% by December 31, 2016, and 33% by December 31, 2020; and

WHEREAS, while Lodi will need to adopt a Renewable Energy Resources Procurement Plan (RPS Procurement Plan) to meet the requirements of SBX1-2, the California State Energy Commission (CEC) still has not published the details of the requirements for such RPS Procurement Plans, though they were required to do so no later than December 31, 2011; and

WHEREAS, staff anticipates bringing a RPS Procurement Plan to Council for approval in the first quarter of fiscal year 2012/13; and

WHEREAS, SB1X-2 requirements will require different amounts of varying types of renewable resources in various years; these different types are called Portfolio Content Categories (PCC); and

WHEREAS, in anticipation of the RPS procurement Plan staff has completed a preliminary analysis; based on this analysis it is expected that no net purchases will be required to meet SBX1-2 requirements through calendar year 2013; and

WHEREAS, analysis has also shown that Lodi has a surplus of the more valuable PCC 1, which includes renewable resource products that are scheduled from an eligible renewable energy resource directly into a California balancing authority; Lodi's surplus comes mostly from our entitlements to Northern California Power Agency (NCPA) geothermal plants; and

WHEREAS, this excess PCC 1 may be sold and replaced with a much less expensive PCC 3 resource; PCC 3 includes unbundled renewable energy credits that do not qualify under the criteria for other Content Categories; and this exchange of PCC types may result in savings to Lodi of as much as \$2 million this fiscal year; and

WHEREAS, NCPA is currently working to modify the Market Power Purchase Agreement (MPP) to enable NCPA to make these types of transactions for the MPP Participants, which includes Lodi; unfortunately it is unlikely that the MPP can be modified in time to make the transactions that need to be completed this year; and

WHEREAS, Lodi itself has neither the time nor experience to complete these transactions on our own in the available time frame; and

WHEREAS, NCPA has developed the Single Member Services Agreement **(SMSA)** and scope of work (Advisory Services) to facilitate such independent transactions, by assisting its members in carrying out economic and timely transactions; and

WHEREAS, the SMSA will allow additional scopes of work to be attached to it in the future, as needed from time to time; any additional scopes of work will require separate approvals by both NCPA and Lodi; potential transactions that come out of this process will still need to be approved in accordance with Lodi's existing approval process.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Single Member Services Agreement by and between the City of Lodi and the Northern California Power Agency and authorizing the City Manager to execute said agreement with administration by the Electric Utility Director.

Dated: June 6, 2012

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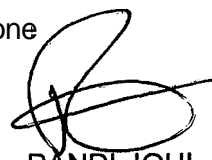
I hereby certify that Resolution No. 2012-78 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 6, 2012, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Nakanishi,
and Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk